



DEFENSE LOGISTICS AGENCY
DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221



IN REPLY
REFER TO

AQOD

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-81 , Fiscal Year 1998 Department of Defense
Comprehensive Small Business Subcontracting Plan Test Program**

This is a POLICY memorandum. It expires in one year unless sooner superseded or rescinded. Target Audience: All Contract Administration Offices.

This supplements information which was provided in DCMC POLICY Memorandum No. 97-74, "Revised Test Program for Negotiation of Comprehensive Small Business Subcontracting Plans," August 1, 1997. As a result of an August 11-12, 1997 meeting which was sponsored by the Under Secretary of Defense (Acquisition and Technology)/ Office of Small and Disadvantaged Business Utilization (USD (A&T)/SADBU), the date for contractor submission of comprehensive subcontracting plans has been extended from August 15, 1997 to September 1, 1997 (attachment I). In addition, the previously identified initiatives that were to be pursued have been modified as indicated in attachment C to the USD (A&T)/SADBU memorandum. These revised initiatives represent the starting point for contracting officers during negotiations.

DCMC Headquarters and District focal points are listed in attachment II. If you have any questions, please contact your District focal point, the DCMC customer liaison to AFMC, or the DCMC Headquarters focal point, Mr. Don Reiter, (703) 767-3407 or DSN 427-3407. This memorandum has been coordinated with Headquarters, Defense Logistics Agency, Small and Disadvantaged Business Utilization.

ROBERT W. DREWES
Major General, USAF
Commander

Attachments

- I. USD (A&T)/SADBU memo, August 15, 1997
- II. DCMC Comprehensive Subcontracting Plan Focal Points



ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

15 AUG 1997

MEMORANDUM FOR DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, OFFICE, SECRETARY OF THE ARMY
DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, OFFICE, SECRETARY OF THE NAVY
DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, OFFICE, SECRETARY OF THE AIR
FORCE
DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, DEFENSE LOGISTICS AGENCY
COMMANDER, DEFENSE CONTRACT MANAGEMENT COMMAND

SUBJECT: Fiscal Year 1998 Department of Defense Comprehensive
Subcontracting Plan Test Program Pre-Negotiation Meeting

References: (a) OUSD(A&T) Memorandum dated May 9, 1997, Subject: Revised Test
Program for Negotiation of Comprehensive Small Business
Subcontracting Plans (Attachment A).

(b) OUSD(A&T) Memorandum, dated 22 July 1997, Subject: Fiscal
Year 1998 Department of Defense Comprehensive Subcontracting
Plan Test Program Pre-Negotiation Meeting (Attachment B).

As a result of the meeting referred to in reference (b), the date for
submission of comprehensive subcontracting plans has been extended from August 15,
1997 to September 1, 1997.

DoD initiatives that were identified in reference (a) were modified
during the meeting with industry representatives reference (b). The current
initiatives that are to be pursued during negotiations of FY 1998
comprehensive subcontracting plans are reflected at Attachment C. These
initiatives represent the starting position for contracting officers in
conducting comprehensive subcontracting plan negotiations.

Given the revisions to the initiatives identified by the Department to
be addressed during negotiations, request that the appropriate negotiation
team representatives for your organization be informed of the current
initiatives and the extension of the submission date for comprehensive
subcontracting plans.

ROBERT L. NEAL, JR.
Director, Office of Small and
Disadvantaged Business Utilization

Attachments

CC: Secretaries of the Military Departments,
ATTN: Service Acquisition Executives
Director, DLA

Attachment I





ACQUISITION AND
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THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



MAY 9 1997

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
ATTN: SERVICE ACQUISITION EXECUTIVES
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Revised Test Program for Negotiation of
Comprehensive Small Business Subcontracting Plans

The Comprehensive Subcontracting Plan Test Program (test program), has been changed since its initial implementation. The original test program waived the requirement for negotiation, administration and reporting on an individual contract basis as required under section 211 of Public Law 95-507. In lieu thereof, the test program authorized the negotiation, administration and reporting of subcontracting plans on a plant, division, or company-wide basis as appropriate. The purpose of the test is to determine whether comprehensive subcontracting plans will result in increased subcontracting opportunities for small and disadvantaged businesses while reducing the administrative burdens on contractors. The test program, as changed, provides for an expansion in the number of contractors allowed to participate. Initially, only eight contractors participated in the test. Currently, 27 contractors are participating (attachment 1).

An important aspect of the test program that I believe offers significant potential is the ability to create a dialog between DoD and program participants on major small business issues facing us all. For FY 1998, I have identified the initiatives at attachment 2 to be discussed by contracting officers when negotiating with test program participants. I encourage a frank and open discussion to develop solutions and actions to address these issues. Agreed upon initiatives should be incorporated into the resultant comprehensive subcontracting plan, along with, to the extent possible, measurable metrics.

The Defense Contract Management Command (DCMC) has negotiated and is administering most of the comprehensive subcontracting plans that now exist. In view of DCMC's contract administration capabilities and the significant role that it has played in the negotiation of comprehensive subcontracting plans, DCMC is ideally situated to negotiate comprehensive subcontracting plans for most contractors from which your contracting activities may receive a request to participate in the test program. Therefore, your contracting officers may want to consider requesting DCMC support for these functions.



Attachment **A**

To ensure the quality of the comprehensive subcontracting plan, the contracting officer, whether at the designated contracting activity or, if delegated, at the cognizant contract administration activity, shall establish a comprehensive small business subcontracting plan negotiating team comprised of representatives identified at attachment 3.

Paul Kaminski

Paul G. Kaminski

Attachments

ORIGINAL COMPREHENSIVE SUBCONTRACTING PROGRAM PARTICIPANTS

ARMY

Textron Inc., Bell Helicopter Div, Fort Worth, TX (DCMD West)
McDonnell Douglas Helicopter, Mesa, AZ (now part of McDonnell Douglas Aerospace, St. Louis, MO)

NAVY

Litton Inc., Ingalls Shipbuilding, Pascagoula, MS (Navy)
Lockheed Martin Tactile Defense Systems, Great Neck, NY (formerly Unisys, Shipboard & Ground Systems Group (DCMD East))

AIR FORCE

*Boeing, Seattle, WA
*Martin Marietta, Aerospace Division, Orlando, FL (formerly Lockheed Martin)
*General Electric, Aircraft Engines Group, Cincinnati, OH
*Lockheed Georgia Company, Marietta, GA (formerly Lockheed Martin Aeronautical Systems)

DCMC NEGOTIATED AIR FORCE COMPREHENSIVE SMALL BUSINESS SUBCONTRACTING PLANS

DEFENSE CONTRACT MANAGEMENT DISTRICT EAST:

Sikorsky Aircraft Corp., Stratford, CT
AVCO Corp., Textron Inc., Textron Systems Division, Wilmington, MA
United Technologies Corp., Hamilton Standard Division, Windsor Locks, CT
Raytheon Company, Electronic Systems Division, Bedford, MA
United Technologies Corp., Pratt & Whitney, West Palm Beach, FL
Lockheed Martin Information Systems, Orlando, FL
Lockheed Martin Aeronautical Systems, Marietta, GA
Lockheed Martin Electronics & Missiles, Orlando, FL
Harris Corporation, Melbourne, FL
Northrop Grumman Corp., Electronic Sensors & Systems Division, Baltimore, MD
Honeywell Military Avionics, Clearwater, FL
General Electric Aircraft Engines, Cincinnati, OH

DEFENSE CONTRACT MANAGEMENT DISTRICT WEST:

McDonnell Douglas Aerospace, St. Louis, MO
Northrop Grumman, Electronics & Systems Integration Div., Rolling Meadows, IL
Boeing Company, Seattle, WA
Raytheon E-Systems, Greenville Division, Greenville, TX
Raytheon E-Systems, Garland Division, Dallas, TX
Lockheed Martin Tactical Aircraft Systems, Ft. Worth, TX
Lockheed Martin Vought Systems Corp., Dallas, TX
Rockwell International Corp., Collins Avionics & Communications Div, Cedar Rapids, IA
Rockwell International Corp., Communications Systems Division, Richardson, TX
TRW Space & Defense, Redondo Beach, CA
Hughes Electronics Corp., El Segundo, CA

** These contractors are now covered under the DCMC Negotiated Comprehensive Small Business Subcontracting Plans.*

Initiatives - Comprehensive Subcontracting Plans

- Soliciting at least one small disadvantaged business and one women-owned small business on every competitive solicitation.
- Establishing a home page dedicated to providing information, including procurement opportunities, to potential small business sources and to link this home page to the OUSD(A&T), OSADBU home page.
- Pursuing at least one new subcontract award with an eligible Indian-owned entity in accordance with the Indian Incentive program provisions of FAR Subpart 26.1.
- Entering into at least one new Mentor-Protégé agreement with an SDB that is not part of the program at this time.
- Pursuing at least one minority institution or historically Black college or university to perform as a subcontractor.

Negotiation Team Representatives - Comprehensive Subcontracting Plans

- The contracting officer who will be responsible for negotiation and approval of the comprehensive subcontracting plan as well as the responsibilities at FAR 19.705.
- The designated contracting activity's Small and Disadvantaged Business Utilization (SADBU) Specialist.
- The SADBU Specialist of the cognizant contract administration activity that administers the preponderance of the prime contractor's contracts and/or the appropriate individual who will administer contractor performance under the test.
- A price analyst, production specialist, and/or other functional specialist, as appropriate.
- Additionally, each of the Services that has contracts with the prime contractor should be invited to either participate in the negotiations or coordinate on the proposed plan.



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THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



MAY 9 1997

MEMORANDUM FOR THE DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Comprehensive Subcontracting Plan Test Program

I request Defense Logistics Agency (DLA) support in negotiating comprehensive subcontracting plans when requested by the Military Departments under the Comprehensive Subcontracting Plan Test Program for contracts that are assigned to DLA for administration.

The Comprehensive Subcontracting Plan Test Program required by Public Law 101-189 waives the requirement for negotiation, administration and reporting on a contract-by-contract basis as required under section 211 of Public Law 95-507. The purpose of the test is to determine whether or not comprehensive subcontracting plans will result in increased subcontracting opportunities for small and disadvantaged businesses while reducing the administrative burdens on contractors. The test program has been changed to allow more contractors to participate. Currently, there are 27 contractors participating in the test, an increase of 19 since the test program was revised. It is not anticipated that many more contractors will request approval to participate.

The Defense Contract Management Command (DCMC) has played an active role in the test thus far, negotiating 23 of the comprehensive subcontracting plans for prime contractors currently participating in the test. Having negotiated the vast majority of the existing comprehensive subcontracting plans, DCMC is uniquely capable of ensuring that future negotiations are conducted in a manner consistent with past negotiations for the limited number of contractors that may request approval to participate in the remaining months of the test. It is anticipated that the Service Acquisition Executives may wish to delegate specific authority to continue negotiation of comprehensive subcontracting plans for the remainder of the test program.

Your support in this important aspect of the test program will help the Department conduct a meaningful test and is greatly appreciated.

Paul Kaminski

Paul G. Kaminski





ACQUISITION AND
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OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

22 JUL 1997

MEMORANDUM FOR DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, OFFICE, SECRETARY OF THE ARMY
DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, OFFICE, SECRETARY OF THE NAVY
DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, OFFICE, SECRETARY OF THE AIR
FORCE
DIRECTOR, SMALL AND DISADVANTAGED BUSINESS
UTILIZATION, DEFENSE LOGISTICS AGENCY
COMMANDER, DEFENSE CONTRACT MANAGEMENT COMMAND

SUBJECT: Fiscal Year 1998 Department of Defense Comprehensive
Subcontracting Plan Test Program Pre-Negotiation Meeting

References: (a) June 17, 1997 meeting with TRIAD representatives to discuss
their concerns with the subject program.

(b) OUSD(A&T) Memorandum dated May 9, 1997, Subject: Revised Test
Program for Negotiation of Comprehensive Small Business Subcontracting Plans
(attached).

During the referenced meeting, it was recommended that a pre-negotiation
meeting be arranged to provide current information on the DoD Comprehensive
Small Business Subcontracting Plan Test Program. The proposed meeting is
scheduled for August 11-12, 1997 and will be held at the Lockheed-Martin
Corporation (Electronics and Missiles) in Orlando, Fl. Directions to the
facility from the Orlando Airport are attached. Also attached is a list of
nearby hotels. The Lockheed-Martin points of contact are: Mr. Roy Lewis (407)
356-4682 and Mr. Charles Mathis (301) 897-6933.

DoD initiatives that are expected to be addressed during negotiations
and specific areas of interest to the Department will be discussed. The pre-
negotiation meeting will also provide an opportunity for current and
prospective test program participants to raise issues for clarification, and
to obtain a better understanding of the test program. An agenda is attached.

Given the significant revisions to the test program and the initiatives
identified by the Department to be addressed during negotiations, as indicated
in reference b, request your attendance as your organization's representative
at this important meeting. Also request that the appropriate negotiation team
representatives for your organization be informed of the meeting and
encouraged to attend.

ROBERT L. NEAL, JR.
Director, Office of Small and
Disadvantaged Business Utilization

Attachments

Attachment B



Proposed Agenda

DoD Comprehensive Subcontracting Plan Test Program FY 1998 Pre-Negotiation Meeting

Monday, August 11, 1997

9:00 AM - 12:00 Noon - Department of Defense Session

Discussion of the DoD Comprehensive Subcontracting Plan Test Program (as revised) to include initiatives identified for FY 1998 with DoD attendees.

1:00 PM - 4:00 PM - Combined DoD and Industry Session

- Opening remarks (1:00 P.M. - 1:15 P.M.)
- Overview of Revised Comprehensive Subcontracting Plan Test Program (1:15 P.M. - 2:15 P.M.)
 - Background
 - Purpose
 - Program Requirements
 -
- Break (2:15 P.M. - 2:30 P.M.)
- Overview of FY 1998 DoD Initiatives for Comprehensive Subcontracting Plans [May 9, 1997 OUSD(A&T) Memorandum] (2:30 P. M. - 4:00 P.M.)
 - Enter into at least one new Mentor-Protégé (M-P) agreement with an SDB not currently participating in the M-P Program.
 - Pursue at least one HBCU/MI as a subcontractor.
 - Pursue at least one new subcontract award with an eligible Indian-owned entity (FAR Subpart 26.1).
 - Establish a home page dedicated to providing information on SB procurement opportunities.
 - Solicit at least one SDB and WOSB on every competitive solicitation.

TUESDAY, AUGUST 12, 1997

10:00 AM - 3:00 PM - Continuation of Combined DoD and Industry Session

- Feedback from current test program participants (10:00 A.M. - 12:00 Noon)
 - Beginning performance
 - Current performance
 - Best practices developed
 - Problems experienced
 - Metrics used to assess performance
- Lunch (12:00 Noon - 1:00 P.M.)
- Industry Perspectives (Specific items to be provided prior to the meeting) (1:00 P.M. - 2:00 P.M.).
- Open discussion (2:00 P.M. - 2:50 P.M.)
- Recap and closing comments (2:50 P.M. - 3:00 P.M.)

Initiatives - Comprehensive Subcontracting Plans

- Increased participation goals for small disadvantaged businesses and women owned small businesses over current fiscal year goals
- Home page, linked to the OUSD (A&T), OSADBU home page, that provides information on small business procurement opportunities
- Identification of actions and efforts to provide subcontracting opportunities for Indian organizations or Indian-owned economic enterprise
- At least one new Mentor-Protégé agreement
- Seek at least one HBCU/MI to perform as a subcontractor

Attachment C

COMPREHENSIVE SUBCONTRACTING PLAN FOCAL POINTS

HQ DCMC

Mr. Don Reiter
AQOD
8725 John J. Kingman Rd. #2533
Ft. Belvoir, VA 22060-6221
Phone: (703) 767-3407
Fax: (703) 767-2379

DCMC LIAISON TO AFMC

Ms. Tina Ballard
AFMC/PKP
DCMC Customer Liaison
4375 Childlaw Road, Suite 6
WPAFB, OH 45433-5006
Phone: (937) 257-6862
Fax: (937) 257-7257

DCMDE

Ms. Janice Boscoe
DCMDE-OTBC
495 Summer Street
Boston, MA 02210
Phone: (617) 753-3399
Fax: (617) 753-4257

DCMDW

Mr. Robert Sales
DCMDW-OT
222 N. Sepulveda Blvd.
El Segundo, CA 90245-4320
Phone: (310) 335-4262
Fax: (310) 335-3902

SMALL BUSINESS

Mr. David Potter
DDAS
8725 John J. Kingman Rd. #2533
Ft. Belvoir, VA 22060-6221
Phone: (703) 767-1654
Fax: (703) 767-1670

SMALL BUSINESS

Mr. John McDonough
DCMDE-DU
495 Summer Street
Boston, MA 02210
Phone: (617) 753-4317
Fax: (617) 753-3174

SMALL BUSINESS

Ms. Renee Deavens
DCMDW-DU
222 N. Sepulveda Blvd.
El Segundo, CA 90245-4320
Phone: (310) 335-3260
Fax: (310) 335-4443

Attachment II